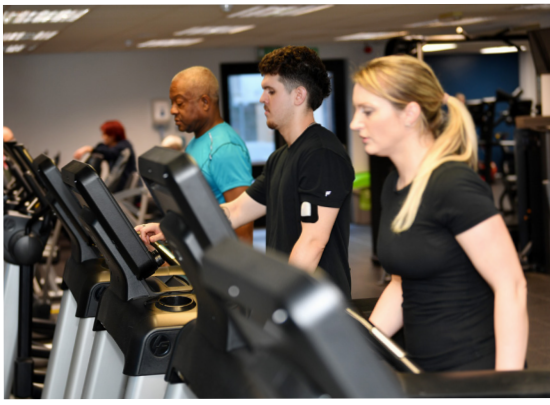






YMCA EAST SURREY

Annual Report and Accounts

For the year ended 31 March 2026

www.ymcaeastsurrey.org.uk

YMCA

Here for young people
Here for communities
Here for you

Charity registration no: 1075028
Company limited by guarantee number: 03716594
Social Housing Provider registration no: 4854













Contents

1.0	Legal and administrative information	3
2.0	Chair's statement	4
3.0	Report of the Chief Executive	5 - 10
4.0	Year at YMCA East Surrey	11 - 12
5.0	Report of the Trustees (incorporating the Strategic Report)	13 - 20
6.0	Independent Auditor's report	21 - 23
7.0	Statement of comprehensive income	24
8.0	Statement of changes in reserves	25
9.0	Statement of financial position	26
10.0	Statement of cash flows	27
11.0	Accounting policies	28 - 31
12.0	Notes to the financial statements	32 - 42

















1.0 Legal and administrative information

Directors and Trustees:	Paul Byrne - Chairman Ross Anderson Louise Elliott Mike Gent – Treasurer John Guy Heather Loxley Lola Odunsi Jane Pascoe Chloe Schendel-Wilson Jeff Travis (To 25 September 2025) Christine Arnold (To 7 July 2025)

The above served as trustees during and, unless otherwise indicated, throughout the year ended 31 March 2026.

Chief Executive and Company Secretary:	Ian Burks
Registered Office:	YMCA East Surrey Princes Road Redhill Surrey RH1 6JJ
Registered Charity Number:	1075028
Registered Company Number:	03716594 (England & Wales)
Social Housing Provider Registration Number:	4854
Bankers:	Barclays Bank plc Guildford, Gatwick & Woking Business Banking 90/92 High Street Crawley West Sussex RH10 1BP
Auditors:	Crowe UK LLP 55 Ludgate Hill London EC4M 7JW
Solicitors:	Moore Barlow The Oriel Sydenham Road Guildford Surrey

2.0 Chair's statement

YMCA East Surrey aims to improve the lives of those we serve and to be able to offer our services to more of those in need. With this objective in mind, we are entering an exciting period of change.

Local government reorganisation will result in a fundamental change and come vesting day 1 April 2027, a new council with some new councillors - East Surrey - will replace the districts and boroughs that we are currently serving individually. We aim to be the charity of choice for East Surrey Council with the services we offer. We do not forget that the need for what we provide in the East Surrey area remains as strong as ever and we look forward in confidence to the dawn of a new era.

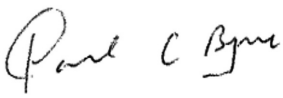
As ever, we can only fulfil our mission with committed and skilled people. I include our wonderful staff, our many volunteers, our donors, funders and our trustees. I am delighted to welcome Gareth Thomas as a co-opted member of our board of trustees. Gareth is a property professional and has agreed to act as Chair of the Housing Advisory Group. His influence has already been felt dealing with some major issues, and we look forward to his election to the board at the AGM.

Once again, we are delighted to be able to report an addition to our housing stock. We expect that at our development at 93 Horley Road will be completed before the end of 2026 and will add accommodation for fourteen more young people. This will bring our total provision to eighty-nine.

With our funders' and donors' help, we trust we will not stop there. In 2022, the Board undertook a comprehensive review, resulting in a five-year strategic plan. In the coming year, the Board will formally review the role of YMCA East Surrey in our core activities in Children and Young People's Services, Health and Wellbeing, and Social Housing. When looking ahead, the trustees are acutely aware of the cost-of-living pressure on those we serve. There is also increasing competition for Government and Local Authority funding.

The Chief Executive's report has provided much detail; it remains for me to add my grateful thanks to our CEO, Ian Burks, our staff, volunteers, donors and funders. A sincere thank you to all.





Paul Byrne
Chair
17 September 2026

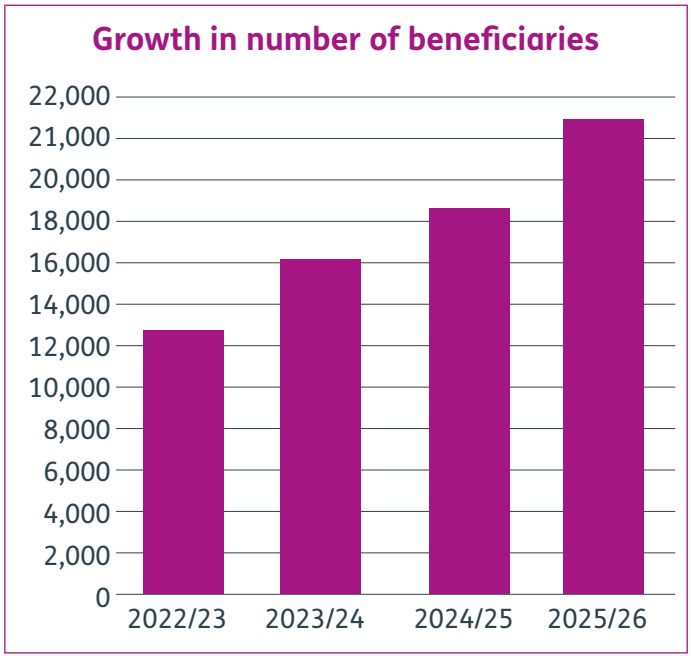
3.0 Report of the Chief Executive

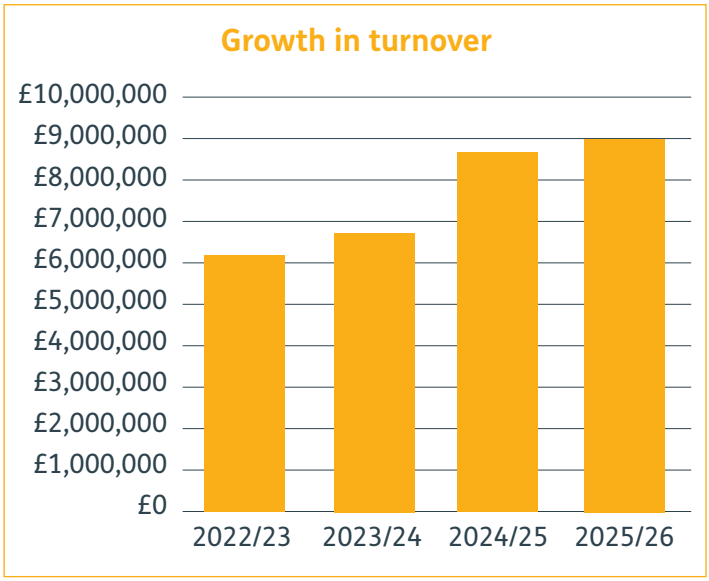
YMCA East Surrey is a local charity founded in Redhill in 1870 and affiliated to the global YMCA movement. We help people to improve their lives, realise their potential and become the best they can be. We are here for everyone, but our particular focus is on children, young people, families, vulnerable adults and those facing disadvantage.

Our services are delivered from a wide range of community-based sites across East Surrey and neighbouring areas. Our collective aim remains to enable people to belong, contribute and thrive.

The last year has again demonstrated our breadth, resilience and ambition. We have extended our reach to touch the lives of 21,503 local people (up from 19,065 last year) through our three main directorates: Children and Young People, Housing, and Health and Wellbeing. At the same time, we have progressed significant development projects, responded to changes in statutory funding, improved our governance and continued to strengthen our position as a trusted local partner.

A key theme running throughout 2025/26 has been the need to balance growth and innovation with the careful stewardship of existing services. This has been particularly important at a time of pressure on public finances, uncertainty connected with Local Government Reorganisation (LGR) and increasing need.





















CHILDREN & YOUNG PEOPLE

The pressures facing children, young people and families remain significant. The legacy of Covid, the cost-of-living crisis, increased complexity of need, rising mental health concerns (exacerbated by social media) and pressures on statutory services continue to affect many of those we work with. Our role in family support, emotional wellbeing, childcare, disability provision and youth work has therefore remained as important as ever.

One of our strengths is our integrated approach. Those referred to our Family Centres can be connected easily with childcare or youth work, while young people living in our housing can access other YMCA services across sport, physical activity and emotional wellbeing. Our impact stretches across communities in the east of the county mirroring the new East Surrey Council borders.

The Children and Young People directorate is the largest with a total income over the last year of £5,625,019 - 62% of our overall income of £9,008,216. The Children and Young People team have achieved some excellent outcomes with 9,574 individuals benefitting from our range of activities. This is an increase of 1,582 (20%) over last year's total of 7,992.

Achieving these outcomes has been more challenging financially, especially with increased National Insurance costs and our move to the Real Living Wage.

Youth Work and Family Services

Our Family Centre work continued to develop during the year, building on the important partnership established with Surrey County Council (SCC) across Reigate and Banstead, and Mole Valley.

Higher complexity of need amongst families referred to Family Centres has placed greater emphasis on more targeted support for families. However, we have secured confirmation of further funding from SCC for "Emerging Needs" work, to support more preventative group activities alongside the core Family Centre service.

This additional funding has allowed us to introduce new activities, some delivered by two key charity partners, Welcare and HomeStart, leading to more valued outcomes for the families we work with.

Youth work has continued to complement our Family Centre programme, helping us reach young people less likely to access mainstream services, providing trusting relationships with positive role models as well as fun activities and routes into further support. 499 young people benefitted from our outreach Y Bus detached youth project and free open access youth work provision based in local youth centres.



There was also positive progress on the future of SCC youth centre leases where much of our youth work takes place. Following lobbying from YMCA East Surrey and other voluntary sector organisations, SCC have agreed to put in place seven-year leases on peppercorn rents for youth work sites, including Horley and the Phoenix in Tadworth.

Emotional Wellbeing and Mental Health (EWMH)



YMCA East Surrey is a founder member of the Surrey Wellbeing Partnership (SWP) and a key provider of emotional wellbeing and mental health (EWMH) support as part of the Surrey Mindworks Service. Sadly, more young people are reporting mental health issues: 1 in 5 (aged 8-25) are estimated by Mind to have a mental health condition, and 30% of these are likely to miss at least a week of school. For many, these issues lead to damaging behaviours - 32.8% of all young people report self-harm at some point in their lives. In response, our EWMH service worked with 3,482 young people (up 149 on 2024/25) offering counselling, early intervention in schools, group work or community wellbeing services. Of those we work with 92% report a positive outcome.

During 2025/26, financial pressures across the health system prompted discussions about service transformation and a shift towards more clinical interventions for those with complex needs. As a result, some preventative services less aligned with the new "Getting Help" priority were identified as vulnerable, resulting in a small number of voluntary redundancies and the scaling back of some group work (including WAVES and Step Forward).

Other EWMH developments included preparations for Systm One, the NHS patient record system - a major step towards better integration and closer professional working with the wider NHS. Systm One went live in June 2026, strengthening our partnership with Surrey and Borders Partnership NHS Trust (SaBP) and preparing us for a potential three-year extension of the 7-year Mindworks Surrey contract from April 2028.

Despite the move towards a more clinical approach, we continue to advocate strongly for early intervention and for our distinctive role as a community-based provider. Our services are designed to build resilience in young people, giving them the confidence to successfully tackle the challenges of growing up in the modern world.

Disability Services, Short Breaks and Lifeworks





Our disability services remained a vital safety net for families, delivering short breaks, play, leisure and residential opportunities for children and young people with additional needs.

Short Breaks faced significant cost pressures in 2025/6, particularly from agency staffing and extensive summer delivery. By September, the service was struggling financially prompting a recovery plan focused on reconfiguring the team, ending agency use, and introducing the Real Living Wage for entry-level staff. These changes allowed us to reduce our overspend whilst meeting contractual requirements and ensuring families received meaningful provision.

Growth to meet local needs remains a key strategic aim, and Short Breaks has long been a pioneer in this area, with schemes based across East Surrey and West Sussex. This year we went a step further, developing new work in the London Borough of Sutton. We have secured a small contract delivering holiday provision in a Special School which will provide a vital lifeline for families in need. It is also strategically important – building a trusting relationship with another local authority and opening potential opportunities across other service areas.



The new Lifeworks Alternative Education Provision (AP) was introduced in 2025 to offer innovative education opportunities for those unable to access mainstream or special schools. Initial progress was slower than planned due to complex referral processes and the time taken to recruit an experienced, qualified coordinator. Now up and running, this work is highly valued, especially given the rising number of young people with additional needs who struggle to access or remain in mainstream education. Recent performance shows that Lifeworks is achieving great outcomes for young people. It's also a great way to utilise the Sovereign Centre and The Old Pheasantry during mid-week periods when buildings are quieter and staff are available.

Childcare and Children's Activities



Our childcare and pre-school services continued to offer inclusive early years and out-of-school opportunities for children and families.

The first 1,000 days of a child's life are the most important, and our pre-school services help to give them the best possible start - helping them develop educationally, physically and socially so they are ready to benefit fully from mainstream education when they reach 4 years of age. Merstham Pre-school plays a key role in this regard, given its location within Surrey's most deprived ward.

Sport and Recreation provides a more universal offer to local families, giving children the chance to participate in sport - either in an inclusive recreational setting or towards excellence through squad training and competition. East Surrey Acrobatics and our recently introduced girls' football teams have both seen great success, winning medals at local, regional and even national events.





HOUSING

Homelessness is a growing problem in the UK. Nearly 124,000 young people under 25 presented as homeless last year, with estimates suggesting as many again are sofa surfing, living with friends, or in unsuitable conditions.

That's why Housing remains one of our most strategically important areas of work. The need for safe, affordable, supported accommodation for young people continues to grow, and our commitment to expanding provision has been central to our five-year strategy.

We have been working to extend our current housing portfolio (5 schemes, and 75 units) so that more young people can secure a stable base from which to build a successful and independent future.



The latest development is at Horley Road, Salfords, where we are creating accommodation for 14 young people who are at risk of homelessness. The scheme comprises two purpose-built houses, each with seven en-suite bedrooms, plus shared living and communal spaces. One property will accept referrals from Reigate & Banstead Borough Council (RBBC)'s Housing Team, the other has been assigned to supported accommodation for referrals from SCC Children's Services.

In 2024/25, we received 278 referrals but could only accommodate 57 young people - highlighting the significant shortage of appropriate housing options for vulnerable young adults. The new development will help close that gap while advancing our strategic ambition to reach 100 bed spaces.

Situated close to public transport, colleges and employment opportunities, the scheme will give young people safe and affordable accommodation from which to access education and training, find work and build independence. The new-build approach also means lower maintenance costs, greater energy efficiency and better alignment with our environmental commitments.

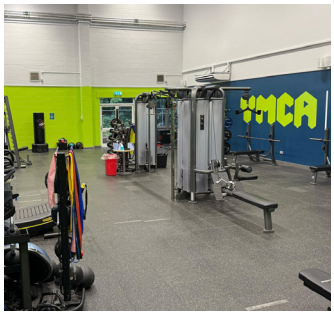
The exciting new build development is funded by Homes England, RBBC, charitable grants, our own reserves and loan finance. The £70k fit-out costs will be raised locally through YMCA Challenge events. Practical completion is due by the end of November, and we should be ready to house and support young people from January 2027.

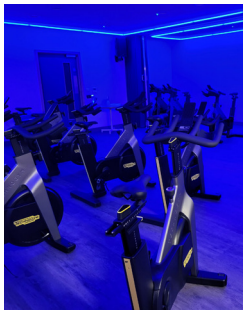
The need for safe and affordable housing for young people is at an all-time high and growing more acute. Our main referral partner is Surrey County Council, but we are also exploring partnerships with neighbouring boroughs and districts to secure support for young people in need across these areas.

HEALTH AND WELLBEING

Health and Wellbeing remains a key part of our charitable work, combining universal fitness provision with targeted physical activity and health promotion for people facing health inequalities, long-term health conditions or social isolation.

The bulk of work within this directorate takes place at our Sports and Community Centre in Redhill and last year thanks to contributions from RBBC, Diana Allanson and the Bryan and June Amos Foundation we were able to complete some major capital improvements and remodelling to this building.





Works included partitioning of the old sports hall to create two new spaces; a larger more inclusive fitness gym, and a dedicated physical activity studio. This was named the Allanson Hall after former trustee and surveyor Jim Allanson, who contributed so much to earlier building projects like Hillbrook House, the Sovereign Centre and early Move-on properties. The new space has mirrors, air conditioning, storage and new sports flooring, ideal for sports, dance and physical activity sessions for all ages and abilities. The funding also allowed us to create a first-floor studio and meeting room, new unisex and disabled toilets, an improved café space with kitchen, plus green upgrades including LED lighting, better insulation and electric vehicle chargers.



These improvements contributed to a strong financial performance from Universal Fitness, which helped subsidise our targeted work. By year-end, Health and Wellbeing had achieved a surplus of £151,017.

Targeted health work remains harder to fund, but its value is clear. Physical activity is widely seen as a 'magic pill' offering significant benefits for physical and mental health. Our Exercise Referral scheme and specialist group activities - such as Stroke Group and Cardiac Rehab provide peer support for individuals who have a shared experience of living with long term health conditions.

In 2025/26, there were 14,494 visits from those requiring specialist classes and other exercise referral activity, delivered by our highly qualified team of instructors.

212 people benefitted from Wellbeing Walks, and 870 NHS free health checks were delivered for local people aged 40-70.



GENERAL



Marketfield Community Hub

One exciting development that came to fruition over the last year is the Marketfield Community Hub, located in Redhill town centre. Following a long period of discussion with RBBC, stemming back to 2021, the new facility - built as part of a Section 106 agreement - has been leased to the YMCA on a peppercorn rent for a 25-year term.

The centre will be a YMCA-managed community health hub, with communal spaces, co-located third-sector office space, training and meeting facilities, and three clinical treatment rooms suitable for YMCA/NHS health checks, emotional wellbeing work, counselling, family support and housing advice.

By March 2026, practical completion was achieved, and the centre will be fully operational during the summer of 2026.

Community Asset Transfer, CIL and Leases

Local Government Reorganisation (LGR) brings uncertainty but also opportunities. RBBC introduced a Community Asset Transfer programme alongside a capital grants scheme to provide long term protection and sustainability for community sites run by charities that may be at risk under the new arrangements.

Through this initiative, we have negotiated new 30-year peppercorn-rent leases for two existing YMCA sites; the Sovereign Centre and Pageant Hut, plus capital grants for building improvements. These arrangements start at the end of July 2026 and offer greater security of tenure and long-term financial viability.

We were also awarded two Community Infrastructure Levy (CIL) grants from RBBC to replace unsafe playground equipment at The Old Pheasantry and to convert the Horley Family Centre car park into a dual-use sports and outdoor area for Family Centre clients and youth club participants. All these developments represent significant investment in outdoor activity, youth provision and family support.

The Old Pheasantry



The Old Pheasantry, gifted to us after partnership working with Land and City Families Trust (the previous charitable owners), has provided excellent opportunities for outdoor adventure, residential experiences and team building for a range of groups - including our own services, corporates and other youth groups across Surrey and South London. It is also the base for Merrywood School which offers 'outstanding' education for children and young people with Special Education Needs and Disabilities (SEND).

Sleep Easy took place at The Old Pheasantry in April 2025, with more than 35 supporters sleeping out to raise awareness (and funds) towards our work addressing youth homelessness.

Challenge and Community Fundraising

Challenge and community fundraising remains a distinctive strength. These events raise essential funds, build public awareness, strengthen relationships with supporters and give participants the opportunity to achieve personal goals while supporting YMCA charitable projects.

The annual Fun Run took place on 4 May 2025 alongside the RBBC Sports Festival, with staff, volunteers and supporters coming together for a high-profile community event. The Le Mans Challenge raised £22,586 with 33 cyclists riding 217 miles over two or three days to reach the famous town in France. The Brecon Beacons Fan Dance Trek and Ride the Alps also took place successfully, raising £15,629 and £8,602 respectively.









Kim's Walk in September 2025 remained an important fundraising event and memorial to a well-loved former colleague. More than 100 people took part raising £995 through entry fees and donations. The Challenge Celebration evening was held later that month, providing an opportunity to thank fundraisers, celebrate their achievements and launch the following year's programme.



Other events - including the Y2Y North Downs Trek, quiz nights, the Ceilidh and Santa Run helped bring the total income from voluntary giving to £260,228. We were very grateful for many generous donations including a significant legacy from Harold Braid, whose family had been involved in YMCA challenge events, as well as a donation of £30,000 towards housing and mental health support from the Toseland Estate.



Funds from challenge events go into the YMCA Life Change Fund, and this year money has been earmarked to furnish and equip the new Horley Road Housing Scheme. The estimated cost to kit out a bedroom is around £2,300, with a target of £70,000 needed to fully furnish and equip both houses.

Annual Showcase

The Annual Showcase Evening was held at Princes Road on 4 November 2025. It attracted a record 160 guests and featured presentations from people who had directly experienced YMCA support, along with displays, performances, a marketplace, refreshments and guest speaker slots from Surrey County Council and the Mayor of Reigate and Banstead. The event raised awareness of our impact and gave funders, statutory and charitable partners, service users, staff and volunteers an insight into the positive difference our work makes to the lives of local people.



Executive Staff Change

We saw an important leadership change this year. Kathryn Frost was appointed Head of Central Services, starting on 27 May 2025, which allowed for a handover with Cath White before her retirement on 27 June. Cath made a significant contribution during her three years with us, and the handover provided continuity during a period of major operational development.

Summary

This year has been one of ambition, challenge and progress. We were delighted to begin the acquisition and development of the new Horley Road housing scheme. We continued to deliver essential services for children, young people, families, residents and adults facing health inequalities. We navigated funding pressures in emotional wellbeing, short breaks, housing and family services, while also securing new opportunities such as our work in Sutton, the Community Asset Transfer, CIL funding and Marketfield. Given our current geographical footprint and the impending introduction of two new Unitary Councils in Surrey, we are ideally placed to become the charity of choice for East Surrey Council.

The year has shown again that we are at our best when we combine compassion with enterprise, partnership with independence, and ambition with careful stewardship. The needs in our communities are significant, but so too is the commitment of our staff, volunteers, trustees, partners, funders and supporters.

The financial results reflect a year of building for the future. While the surplus was lower than last year's exceptional result, we have consolidated our growth and continued investing in the facilities, housing and services that enable lasting impact across our communities. With strong reserves, valuable community assets and ongoing support from funders, partners and supporters, YMCA East Surrey remains well placed to continue transforming lives, strengthening communities and helping people belong, contribute and thrive.

I would like to thank Paul Byrne and all our other trustees for their continued support over the past year. I am also deeply grateful to our staff and volunteers, whose dedication makes the achievements described in this report possible. Finally, I would like to thank our statutory partners, charitable funders, challenge fundraisers, donors and community supporters for their continued belief in, and support for, the work of YMCA East Surrey.



Ian Burks
Chief Executive
17 September 2026

4.0 A Year at YMCA East Surrey

April 2025

Dozens of intrepid individuals joined **YMCA Sleep Easy** on 4 April, in the Colley Hill grounds of The Old Pheasantry, raising awareness and funds for youth homelessness.

Mental Health Investment Fund project starts supporting young people at risk of school non-attendance at Warlingham School and Oxted School.

May 2025



The 27th **YMCA Fun Run** at Reigate Priory Park welcomed 818 adults and children running 1 or 5 miles on 4 May.

June 2025

37 cyclists completed our Redhill to **Le Mans cycle challenge** and 20 walkers trekked our **Brecon Beacons challenge**.

The new **Lifeworks Alternative Education Provision** (AP) was opened at the YMCA Sovereign Centre to offer innovative education opportunities for those unable to access mainstream or special schools.



July 2025





23 cyclists cycled up ten mountains in the French Alps as part of our **Ride The Alps challenge**, ascending more than the height of Everest over 221 miles and raising over £14,000.

Improvement works were completed at the **YMCA Sports & Community Centre**, including partitioning of the old sports hall to create two new spaces, a larger more inclusive fitness gym, and a dedicated physical activity space.

August 2025

We provided 246 days of **summer holiday clubs** for children and young people over six weeks and worked with **Surrey and West Sussex's HAF** (Holiday Activity and Food) programmes to deliver 1,150 free spaces for families in receipt of free school meals.

September 2025



101 people walked 5 or 10 miles for **Kim's Walk** in memory of our colleague, Kim Roderick, on 7 September.

YMCA East Surrey's first provision in London Borough of **Sutton for Disability Services Short Breaks** is confirmed.

October 2025

On 1 October, we celebrated the 1st year anniversary of our Ofsted registration for 16- 17-year-olds at **YMCA Hillbrook House** supported accommodation.

Youth clubs and Short Breaks disability clubs enjoyed half-term residentials, gaining new experiences and skills.

YMCA Family Centres receive Emerging Needs funding from Surrey Council to support early intervention for over 200 families across Mole Valley and Reigate & Banstead.

November 2025

Housing residents took part in a residential and **Hereford 10k Cathedral Trek** from 10-14 November.

NextStep won Housing Project of the **Year at the Youth Matters Awards**.



High Sheriff of Surrey visited the YMCA Sovereign Centre pre-school and LifeWorks Learning Hub on 26 November.

East Surrey Acrobatics gymnastics invitational competition was held, with over 280 gymnasts and 600 spectators attending from across the Southeast.

December 2025



On 14 December, a record 911 Santas ran at the **YMCA Santa Run** in Priory Park, Reigate.

Big Give fundraising campaign for a new **sensory room** at the YMCA Sovereign Centre raises over £6,000.

January 2026

On 15 January, we opened our YMCA Sports & Community Centre to the public as part of our **FitStart event**, offering free gym sessions and activities.

YMCA Merstham Community Hub Pre-school started offering an extended day for families.

February 2026



Charlie, our Assistant Youth Worker, visited the **Houses of Parliament** to speak to MPs about **youth work** on 11 February.

Work started on the build of two **new "move on" properties** in Salfords, which will provide 14 more accommodation units to house young people in need.

Two **disability Short Breaks** half-term **residential trips** were held at The Old Pheasantry and Hindleap Warren.



March 2026

On 6 March, our 14th annual **YMCA Sleep Easy** event was held in Redhill Memorial Park to raise money for our housing projects.

173 runners and walkers took part in our **Y2Y North Downs Challenge** on 22 March.

The fit out of our new **Marketfield hub** in Redhill was completed.



NextStep housing project hit a record high of 94 tenancies arranged in FY 2025/26 in partnership with Reigate & Banstead Borough Council.

Our **Health & Wellbeing** team achieved a record-breaking milestone, reaching an all-time high of 1,920 fitness members.

An agreement was made with Reigate & Banstead Borough Council for long-term leases for the **YMCA Sovereign Centre** in Reigate and Pageant Hut through the Community Asset Transfer programme.

5.0 Report of the Trustees (incorporating the strategic report)

The Trustees (who are also Directors of the Charitable Company for the purpose of company law) are pleased to present their annual report and the financial statements for YMCA East Surrey for the year ended 31 March 2026.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, the Statement of Recommended Practice for registered social housing providers, 2018 update, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in 2022), the Housing Regeneration Act 2008, and are in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

YMCA East Surrey is a Charitable Company – a company limited by guarantee and a registered charity governed by its Articles of Association.

YMCA East Surrey's **mission** is to help vulnerable children, young people and adults to belong, contribute and thrive. Our wide range of projects and activities aim to help create happy, healthy and connected communities.

Our activities are underpinned by our charitable **objectives** which aim to support people of all ages who are suffering social, physical or economic hardship, through the provision of recreational leisure, educational and support facilities and activities, including Social Housing.

Our work is for the **public benefit**: we help people to believe in themselves, support them to achieve their goals and inspire them to be the best they can be by providing services that focus on those who are vulnerable, have a disability or face disadvantage.

As can be seen in the Report of the Chief Executive, our objectives are at the heart of all of the services and activities we provide.

The Charitable Company is divided into three distinct service areas, designed and organised in order to meet these objectives: Children and Young People ("CYP"), Housing, and Health and Wellbeing. These are all supported by Central Services. In implementing our charitable objectives through the activities of these

service areas the Trustees continue to have due regard to the guidance on "public benefit" of the Charity Commission.

Children and Young People

We believe in children and young people and seek to offer inclusive services and activities that support them to make the best start in life.

Our services – Childcare and Children's Activities, Youth Work and Family Services, Disability Services, and Emotional Wellbeing and Mental Health - are aimed at helping children and young people increase their confidence and self-esteem to lead fuller and more satisfying lives.

Activities include counselling, youth groups, mentoring, pre-school childcare, holiday clubs, after school clubs, short breaks and recreational activities, together with services designed to support parents and carers.

Where charges apply, we offer free or reduced places to families who need additional support.

Housing

Supporting those facing challenges in their lives with safe, secure and affordable housing – helping them to overcome barriers and achieve independent living.

YMCA Hillbrook House provides safe, affordable accommodation with 24 hour support for young people aged between 16-30 years who are at risk of homelessness. Each resident receives advice, support and access to a range of services.

We also have "Move On" houses in Horley, Merstham and Redhill which provide semi-independent living for those who are moving toward independence and need a less intensive housing support option.

NextStep is a service delivered with support from Reigate and Banstead Borough Council and Tandridge District Council that helps individuals and families facing homelessness to access private sector accommodation.

Health and Wellbeing

Helping people of all ages and abilities to embrace active living and lead healthier more fulfilled lives.

Health and Wellbeing comprises a range of activities including gym facilities, classes, weight management and exercise referrals for local people of all ages and abilities. Health and Wellbeing also provides sports facilities for community activities and disability sports.

Other Activities

Challenge events, donations and legacies

Fundraising events organised by YMCA East Surrey together with charitable donations and legacies support the funding of capital resources and future service delivery in furtherance of our objectives.

Central Services

Providing leadership and services in support of the activities undertaken by YMCA East Surrey.

Central Services includes the Finance, IT, HR and Facilities functions as well as Fundraising support and Marketing.

The activities of YMCA East Surrey are delivered through a mix of full-time and part-time staff working alongside a cadre of dedicated volunteers.

ACHIEVEMENTS AND PERFORMANCE

In the Report of the Chief Executive, we set out the main achievements during the year; the Charitable Company continues to make a great difference to the lives of the people it helps and the reach of the Charitable Company's work has continued to expand.

The Charitable Company publishes an Annual Impact Report which can be accessed via the YMCA East Surrey website. The report demonstrates the impact of its services through the stories of people who have benefitted from those services, as well as data on the outputs achieved by different service activities.

The Charitable Company's achievements in 2025/26 have been underpinned by a suite of objectives and priorities aligned to our 2022-27 Strategic Plan, most notably:

- Growing our services in all three service areas to attain a target reach of 20,000 people annually and expanding our geographic reach into neighbouring boroughs.
- Further prioritising the housing needs of young people – securing the funding to enable the development of another 14 social housing units which will take our total to 89.
- Championing inclusivity - launching our LifeWorks Learning Hub; a skills-based learning programme for 16-25 year olds with complex needs and disabilities.
- Enhancing the gym facilities at the Princes Road site.
- Building on our culture of voluntary action - our Challenge programme continues to thrive and harness voluntary support.
- Focusing on the environment – prioritising environmentally friendly investments such as solar panels, electric vehicles and air source heat pumps.

Nonetheless we have also faced a number of headwinds in 2025/26 that have had to be carefully managed to maintain our financial viability and to ensure ongoing delivery in support of our charitable objectives. Most significantly, we have felt the impact of the increases in National Insurance contributions, inflation generally, including the increase in Minimum Wage and the fragility of some income streams, particularly where there is uncertainty as a result of local government and health provider reorganisation.

In this context, the Trustees have launched the development of a strategy to take us into the 2030s. The Trustees appreciate that the pace of change politically, socially and technologically continues to be exponential and that we need to build a strategy that enables agility and flexibility, together with the necessary safeguards, to ensure the delivery of our charitable objectives in both the short and longer term.

FINANCIAL REVIEW

Income and Funding

The Charitable Company's funding is a blend of income from contracts for commissioned services, grants, rents and fees, with a small but important proportion being derived from donations and fundraising ("challenge") events. In the previous year, 2024/25, this was augmented by the transfer of £1.2m of charitable assets from the Land and City Families Trust - most notably The Old Pheasantry, a residential centre on Colley Hill in Reigate.

In 2025/26, total income was £9.0m an increase of £0.3m, or 3.7%, on the previous year (excluding the transfer of charitable assets noted above). The range of charitable activities delivered in 2025/26 was not dissimilar to the previous year with the focus being on embedding efficient and effective delivery. Where possible, increases for inflation were secured but often these increases fell short of the prevailing rates.

Social Housing income fell marginally from £1,928,027 in 2024/25 to £1,847,506 in 2025/26. Whilst Housing income benefitted from the impact of a full year of the Shrewsbury Road "Move On" property, rental income was negatively impacted by higher than expected voids, both as a consequence of an increase in the turnover of residents and as a result of delays by nominating councils in putting forward appropriate tenants. Social Housing income in 2024/25 also benefitted from a higher level of charitable grants received, enabling the completion and fitting out of Shrewsbury Road.

Income across Children and Young People's services increased by £191,934 (3.5%) to £5,625,019 in 2025/26. The team have worked hard to secure some inflationary increases for contracted services wherever possible, as well as additional grant funding. At the same time, we have seen the take up of some services being negatively impacted by changes in socio-economic factors, such as working from home and the cost of living crisis, which in turn have had a knock on impact on some revenues.

There was a second year of strong growth in Health and Wellbeing, growing by 10% to £912,308, with record gym membership levels following the investment in new gym equipment and the additional facilities provided as part of the Phase 2 development at Princes Road.

Other activities includes funds raised from challenge events, donations and legacies and the income generated from The Old Pheasantry. The £178,557 increase in such income during the year reflects the benefit of one large legacy and the inclusion of a full year's worth of income from The Old Pheasantry.

The Trustees gratefully acknowledge the support of all our donors and funders. More than half of the Charity's income is in the form of contracts and grants

from local authorities, the NHS and other bodies. Such funding enables the Charitable Company to carry on the work in all our lines of service, in turn supporting the objectives of the Charitable Company.

The Trustees regularly monitor key performance indicators by service area, including income against budget, success in securing grants and measures of underlying activity levels such as rental voids, counselling interventions delivered and attendance levels.

When looking ahead, the Trustees are acutely aware of the continuing cost-of-living pressures on our service users, the increasing competition for grants and the many demands on Government and Local Authority funding. Whilst we continue to be successful in securing new sources of multi-year funding we have to keep pricing at a viable level to ensure longevity and a sustainable future for the Charitable Company. The annual budgeting process is rigorous and seeks to ensure that underlying income drivers are realistic and attainable.

Expenditure

Operating expenditure for the 2025/26 financial year was £8.9m, an increase of 7.6%, or £0.7m, on the previous year, outstripping RPI (4.1%) and ahead of the 3.7% growth in income.

The main driver for the increase was staff costs which at £5.8m (2025: £5.2m) remains our largest line of expenditure, accounting for 66% of total expenditure (2025: 64%) and which has increased by 11.1% compared to 2025, despite no change in FTE headcount. The increase in Employers' National Insurance in April 2025 accounted for almost a third of the 11.1% increase, reflecting both the increase in rates and the impact of the change in thresholds which disproportionately impacted us as a charity employing casual staff who previously were not caught by this tax. This was further exacerbated by the increases in the Minimum Wage which also took effect from April 2025 (16.3% for 18-20 year olds). In addition, the Trustees agreed to adopt the Real Living Wage during the year in order to maintain our competitiveness in the local employment market and to provide a better level of compensation to our more lowly paid staff.

Stripping out the impact of the increase in staff costs operating expenditure increased by just 1.3% compared with 2024/25, reflecting tight cost control despite prevailing inflationary pressures.

The Trustees regularly monitor key performance indicators for expenditure by service area, including costs against budget, headcount and payroll run rates, as well as large or unusual non-staff costs.

Overall results for the financial year

The Charitable Company's activities produced a total surplus of £57,885 for the 2025/26 financial year compared with £1,592,266 for 2024/25. However, the 2024/25 surplus included the transfer of £1,212,352 of charitable assets from the Land and City Families Trust. Excluding this "one-off" item, the overall surplus for 2024/25 was £379,914.

There was a surplus on unrestricted funds of £113,828 (2025: £266,897) and a deficit on restricted funds of £55,943 (2025: surplus of £1,325,369, again reflecting the charitable asset transfer - without this transfer, the surplus on restricted funds was £113,017).

The reduced surplus in unrestricted funds compared to 2024/25 reflects a combination of operating deficits in a number of areas of Children and Young People's services and a reduction in the contribution of Housing, in part offset by a particularly strong year in Health and Wellbeing and by the generosity of our supporters through Challenge events and unrestricted donations and legacies. The Trustees are grateful for the hard work and support of colleagues and volunteers who have helped to make these events so successful.

Children and Young People's services have found it a challenging year with many service lines struggling to cover allocated overhead costs. In Disability Services, Short Breaks was particularly hit by the impact of increased staffing costs following the increases in National Insurance and the Minimum Wage, and Lifeworks struggled financially, where the operating model is in transition and the optimum number of participants has not yet been achieved. In Housing, income was detrimentally impacted by the increase in the number of voids. Management has kept the Board apprised of these issues and developed timely action plans to improve overall financial viability. These plans have been built into the 2026/27 budget and are being regularly monitored.

As noted above, there was an overall reduction in restricted funds in 2025/26 compared to the growth that had been achieved in 2024/25 (ignoring the impact of the charitable asset transfer). Many of the restricted funds are not income generating but represent funds secured to support housing and other capital developments and where the only movement each year is the allocation of depreciation costs. Other restricted funds represent grants and donations received to fund specific activities undertaken during the financial year and generally break even. The surplus in 2024/25 reflected the high level of charitable grants received in that year, mainly in social housing in respect of the Shrewsbury Road property.

The Charitable Company achieved an operating surplus of £192,888 (2025: £369,539) in social housing; a deficit of £14,003 (2025: surplus £59,699) in non-social housing and a deficit of £42,868 (2025: surplus £9,032) in non-housing.

The year on year reduction in the operating surplus in social housing in part reflects the impact of charitable grants received during 2024/25 of £171,095 for "Move-On" properties (compared with £37,405 in 2025/26). The operating surplus for social housing in both years does not include the interest expense incurred on the loans taken out to finance these properties of £85,487 (2025: £109,902) which is reported outside of the operating surplus. Taking both of these into account, the operating surplus in social housing in both years remained positive, though fell marginally in 2025/26 with the impact of voids.

The shift from an operating surplus in non-housing to a deficit in 2025/26 is largely attributable to Children and Young People's services which, as noted above, has been hard hit by the disproportionate increase in staff costs, tighter margins, changes in demand for some activities and the revenue impact of the transition in one of the service offerings in Disability Services.

The overall operating surplus of £136,017 (2025: £438,270) was further eroded by an unrealised loss on investments £60,062 (2025: £26,318) and after interest income and expense enabled an overall contribution to reserves of just £57,885 (2025: £379,914 - before the impact of the transfer of £1,212,352 of charitable assets from the Land and City Families Trust).

The Charitable Company had total reserves of £9,014,766 at 31 March 2026 (2025: £8,956,881) as set out in the Statement of Financial Position. The majority of the restricted funds of £5,508,745 (2025: £5,564,688) is represented by investments in the freehold premises in Princes Road, including the Inclusive Sports Facility (ISF), Lynwood Road, London Road, Shrewsbury Road and Massetts Road "Move On" properties, The Old Pheasantry and the leasehold improvements to the Sovereign Centre, to the extent they were funded by non-government grants or gifts. There are also designated funds totalling £598,392 (2025: £572,312), largely attributable to monies raised by the Life Change Fund, through "challenge" events and donations, and funds set aside by the Trustees for further improvements to the Princes Road facility.

Reserves policy

The Board approved Reserves Policy requires the Charitable Company to hold sufficient unrestricted free reserves to ensure, as far as possible, the continuation of the Charitable Company's activities in the event of significant fluctuations or shortfalls in anticipated income, or to cover increased operational costs in response to an emergency. The Reserves Policy allows for a combination of a risk-based calculation of reserve requirements (based on principal risks and other scenarios) and the need to hold as a minimum, cover for up to two months' expenditure. Adopting this policy, the Finance and Resources Committee recommended to the Board, and the Board approved, that the target level of unrestricted free reserves should be increased from £1.6m to £1.65m (which exceeds the minimum two months' expenditure cover).

The Charitable Company had unrestricted reserves of £3,506,021 as at 31 March 2026 (2025: £3,392,193).

A proportion of the unrestricted reserves comprise fixed assets (net of long-term bank loans and capital grants) totalling £1,156,149 (2025: £1,090,941) which are not readily available in response to an emergency. Excluding these fixed assets unrestricted free reserves totalled £2,349,872 at 31 March (2025: £2,301,252). This exceeds the Board's target of £1.65m and accordingly the balance is available to the Board to further support our charitable work.

The Reserves Policy is continuously monitored and reviewed by the Finance and Resources Committee which makes recommendations to the Board if and when action is needed to maintain compliance with the policy or consideration needs to be given to its modification.

Investment policy

Aside from retaining a prudent amount in reserves each year, most of the Charitable Company's funds are to be spent in the short term so there are no additional funds held for longer term investment. The Board has delegated responsibility to the Finance and Resources Committee for oversighting investment decisions and the management of investments, in line with the requirements of the Board approved Investment Policy. The objective of the Charitable Company in holding investments is to offset the risk associated with inflation, which might, in the long term, erode the level of unrestricted free reserves held, and to the extent possible enable some growth in those reserves to match the growth in the charity's underlying activities.

Investments are managed by CCLA Investment Management Limited on behalf of the Charitable Company and are invested in the COIF Charities Investment Fund, which has a risk profile compatible with the objectives of the Charitable Company.

Treasury management

The Charitable Company has significant cash and cash equivalents balances totalling £2,841,290 (2025; £2,942,483). The majority of these balances relate to income for services received in advance and our unrestricted reserves. The Trustees are acutely aware of their responsibilities for the safeguarding of these assets and receive regular cash flow forecasts to monitor the expected flows of funds. There is also a cash management policy designed to ensure that cash balances are appropriately invested with the minimum of risk.

Value for money

YMCA East Surrey is committed to achieving Value for Money (VFM) across all aspects of the Charitable Company's business. The aim is to generate surpluses in our service provision, to maintain a viable business and to fund future capital investment, whilst at the same time ensuring we deliver high levels of service user satisfaction - in line with our charitable objectives. VFM is led by the Board and overseen by the Finance and Resources Committee.

The Charitable Company seeks to optimise VFM by:

- Undertaking a rigorous annual budgeting exercise, culminating in a Board approved budget, with regular monitoring of variances to budget and quarterly reporting through to the Board.
- The application of a fit for purpose procurement policy, together with regular monitoring of staff remuneration and turnover levels.
- Monthly monitoring of non-financial metrics that enable the impact and reach of our services to be measured and reported alongside other critical key performance indicators.

- The use of Advisory Groups which enable service recipients, funders and other interested parties to consider and challenge overall outcomes and help shape future delivery.

Alongside compliance with the 2018 Value for Money Standard and associated Code of Practice, as a non-profit private registered provider of social housing, the Charitable Company is expected to report on certain VFM metrics to enable effective comparison across the sector. The metrics are included below:

- Metric 1 – Reinvestment %: This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. The investment in properties was 16.8% (2025: 3.9%) reflecting the significant investment in the new Move On property at Horley Road that is currently under construction. The lower 2025 percentage reflected the fact that the majority of the investment in the Shrewsbury Road "Move On" property had been in the prior year.
- Metric 2a – New supply delivered 0% (2025: 8.0%): This metric sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total social housing units owned at period end. The Horley Road development is not due to be completed until 2026/27, then increasing our housing stock from 75 to 89 units.
- Metric 2b – New supply delivered 0% (2025: 0%): This metric sets out the number of new non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.
- Metric 3 – Gearing %: This metric looks at housing property assets and the degree of dependence on debt finance. The ratio is a negative -14.0% (2025: -28.4%) as at the balance sheet date, the Charitable Company's cash and cash equivalents continued to be greater than debt finance.
- Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %: The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge. The ratio is 516% (2025: 692%) which again demonstrates the Charitable Company's low reliance on external finance.
- Metric 5 – Headline social housing cost per unit: The unit cost metric assesses the social housing cost per unit as defined by the regulator. The cost per unit is £14,420 (2025: £13,918). The per unit cost level of expenditure is reflective of the small size of our properties relative to other providers.
- Metric 6 – Operating margin %: The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. The operating margin (social housing lettings only) was 10.4% (2025: 19.2%) and the operating margin (overall) was 1.5% (2025: 5.0%). The difference between the two measures reflects the varied services provided by the Charitable Company achieving different margins. The social housing operating margin is distorted by charitable grants received in 2025/26 of £37,405 (2025: £171,095) and does not reflect the Charitable Company's interest expense, which is wholly attributable to social housing properties, and totalled £85,487 (2025: £109,902). Adjusting for the impact of these the operating margin (social housing lettings) for 2025/6 would be 3.9% (2025: 5.0%).
- Metric 7 – Return on capital employed (ROCE) %: This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ratio is just 1.0% (2025: 3.4%) and reflects both the tight margins achieved and the nature of being a charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal status

YMCA East Surrey is an incorporated Association and is affiliated to the National Council of YMCAs in England (charity number 212810).

YMCA East Surrey is a company limited by guarantee, incorporated on 19 February 1999 and registered as a charity on 9 April 1999. The company and charity registration numbers are shown on page 1. The governing documents are the Memorandum and Articles of Association. On 21 October 2014, the Charitable Company changed its name from Reigate and Redhill YMCA to YMCA East Surrey to better reflect its expanding services across the local area.

On 1 August 2017, the Charitable Company became a non-profit private registered provider of social housing (registered provider).

Trustees, as corporate members, guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up.

Code of governance

The Board is committed to delivering best practice in all aspects of governance and the Trustees have adopted the latest Charity Governance Code. The Governance and Risk Committee is monitoring a small number of actions where current governance falls short of the code requirements.

Annual review of governance and financial viability standard

The Finance and Resources Committee undertakes an annual assessment of compliance with the standard and considers the Charitable Company to be compliant with the provisions of the standard.

Organisation

The Trustees are directors for the purpose of company law as well as trustees for the purpose of charity law. They are responsible for the governance of the Charitable Company and delegate the day-to-day management to the Chief Executive and his management team. The Board of Trustees meets on a quarterly basis, or more often if required.

The Board delegates authority to two principal Board Committees, the Finance and Resources Committee and the Governance and Risk Committee. The Chairs of these committees report to the Board quarterly.

The Finance and Resources Committee meets six times a year and provides oversight of management, financial and performance reporting, financial control and the audit process, human resources and remuneration, IT and infrastructure, facilities and the YMCA East Surrey estate, treasury matters and reserves management. It also monitors progress with the Strategy and considers strategic initiatives.

The Governance and Risk Committee meets quarterly. It provides oversight of governance, risk management, incident reporting and management, compliance and environmental matters.

There are also Advisory Groups for each of Children and Young People, Housing, and Health and Wellbeing, established to enable the Charitable Company to understand the changing needs of our communities, to promote partnership working, and to compare or benchmark our performance with other similar organisations. The Advisory Groups are chaired by a Trustee (who reports back to the Board quarterly) and have a membership made up of trustees, management and external parties.

Appointment, induction and training of Trustees

Trustees are appointed at the AGM to serve a period of three years. One third of the Trustees retire each year by rotation and are eligible for re-appointment at each AGM. If it is agreed that a Trustee will serve for more than nine years, then it is subject to a particularly rigorous review and takes into account the need for a progressive refreshing of the Board, and their re-appointment is explained in that year's Report of the Trustees. The Board of Trustees has power to co-opt additional members and fill casual vacancies. It is the aim of the Board of Trustees to attract new Trustees with suitable skills who themselves may be drawn from the various user groups. The aim is to maintain a well-balanced and appropriately qualified Trustee Board.

All Trustees undertake inductions and ongoing training to ensure that they quickly become effective and are aware of developments in corporate and charity governance. Every new Trustee is issued with a copy of a comprehensive Trustees' Handbook (including a Trustee Training Guide) together with key documents including the Charitable Company's Memorandum and Articles and the latest audited Financial Statements. They are also offered induction opportunities with staff and other Trustees and are briefed about the various services provided by YMCA East Surrey.

There is an annual Away Day where the Trustees and the Senior Management Team meet to discuss the future direction of the Charitable Company and to deliver any necessary training and updates. Periodically, the Trustees are given the opportunity to receive first-hand experience of the Charitable Company's activities at a series of "Discovery Visits".

Pay policy for senior staff

Key personnel in charge of directing and controlling, running and operating the Charitable Company are the Board of Trustees and the Senior Management Team. The Senior Management Team comprises the Chief Executive, the Deputy Chief Executive and Head of Children and Young People, the Head of Housing, the Head of Finance, and the Head of Central Services.

The pay of the Senior Management Team is reviewed annually and salary increases will be recommended by the Chief Executive and approved by the Finance and Resources Committee. Pay for the Chief Executive is also set annually by the Remuneration Committee.

The Trustees give their time and expertise freely and receive no reimbursement for expenses.

Details of related party transactions are set out in Note 19.

Risk management

The Charitable Company maintains a comprehensive risk management framework to ensure the effective management of all risk types that could affect the charity's ability to achieve its objectives. A formal risk register is maintained by the Senior Management Team to record and assess identified risks in accordance with the Charitable Company's Risk Policy, including an assessment of mitigating policies and procedures.

The Trustees regularly review the principal risks and uncertainties that the Charitable Company faces and the overall effectiveness of the risk management framework. This review has identified the following key risks:

- **Accidental death or life-changing accident.** The Charitable Company has in place risk assessments and health & safety measures along with stringent safeguarding policies to reduce this risk. Regular training is provided on policies and procedures – which are robustly enforced. The Charitable Company reviews accident and incident reports regularly to amend measures as necessary.
- **Abduction, loss or abuse of a child or vulnerable adult.** The Charitable Company has robust safeguarding policies, procedures, regulatory checks and training in place to mitigate this risk. A reporting and incident management system ensures the effective management of incidents and informs the development of mitigating procedures and focused training.
- **A sudden significant funding reduction.** The Trustees consider this a heightened risk with both the transition to two unitary authorities in Surrey and the formation of a new Integrated Care Board for Surrey and Sussex. Reorganisation could lead to

delays in commissioning or changes to the types of services required and create uncertainty for future planning and resourcing. The Charitable Company continues to work closely with both existing and future shadow authorities and commissioning bodies to ensure that service delivery is aligned to both current and future requirements and to enable sensible planning for changes in those requirements. We also actively seek new sources of funding in order to dilute this risk.

- **Failure to attract and retain appropriately skilled resources.** The charity sector is seeing significant competition for resources both from within the sector and externally. The Board and Senior Management Team continuously consider what additional steps can be taken to attract and retain resources – cognisant of the cost but conscious of the detrimental impact of unfilled vacancies and raised staff turnover.
- **Inflationary pressures.** The Board continues to be focused on monitoring inflationary pressures – particularly given the level of global uncertainty and the propensity for external events to trigger inflation and cost of living pressures. The Board is very aware of the impact that recent changes in Employers' National Insurance and the Minimum Wage have had on our cost base. The annual budget is subject to detailed scrutiny by both the Senior Management team and the Board with action plans in place and monitored when outcomes are not in line with budgets. To the extent possible, the Senior Management Team takes steps to limit the impact of cost increases on longer term contracts by modelling such eventualities and lobbying for inflationary break clauses.
- **Cyber-attack.** Cybercrime is a significant and evolving threat to the charity sector. The Charitable Company outsources its IT function and adopts cloud-based technologies to help mitigate this risk. Prevention is still critical with an ongoing focus on training and awareness and getting the basics right. The charity has achieved Cyber Essentials accreditation and is looking to secure Cyber Essentials Plus.
- **Failing to adequately respond to societal and technological changes.** The Board and the Senior Management Team recognise that the pace of change is exponential and that if the Charitable Company does not keep abreast of such change and also harness change then there could be a detrimental impact on demand for our services, on our ability to deliver to our charitable objectives and an erosion of reserves. The Charitable Company continuously monitors trends in changing demand, the interventions of competitor organisations and the potential to better use technology. This will be a focus of the next strategic review that is underway and which will culminate in a series of monitored action plans. Changes in the external environment are also the focus of Board discussions.

Fundraising

The Charitable Company raises funds in a number of ways:

- Applying for grant funding
- Challenge events
- Corporate and individual donations
- Provision of paid services

The Charitable Company has fundraising policies and procedures aligned to the requirements of the new Code of Fundraising Practice. It adheres to the principles of the Code with fundraising always being legal, honest, open and respectful.

The Charitable Company does not use any commercial participators/professional fundraisers and all monitoring of fundraising is carried out internally. Whilst the Charitable Company has currently not signed up to any recognised fundraising standards, it has a full and detailed Fundraising Policy and an Ethical Acceptance of Donations Policy. The Fundraising policy helps to ensure that the Charitable Company is protecting the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate and it specifically references:

- Personal information provided to the Charitable Company is kept confidential and will not be sold, rented, or given to anyone without consent.
- No cold calling or door to door solicitation of the public is allowed.

The Charitable Company is currently making plans to ensure that its policies and procedures are aligned to the requirements of the new Code of Fundraising Practice.

Plans for the future

As noted under Achievements and Performance, the Trustees have launched the development of a strategy to take the Charitable Company into the 2030s. Completion and roll-out of that strategy is an immediate priority for the Charitable Company. Other priorities for 2026/27 include:

Completion of the new "Move On" property at Horley Road which will provide 14 more units to house young people. We will also be prioritising further housing development in support of our strategic aim to deliver 100+ housing units.

Completion of improvements to our Sovereign Centre property where we have obtained grant funding and agreement to a long term lease of the property to YMCA East Surrey as part of the Community Asset Transfer scheme.

Further improvements to our Princes Road site to enable the delivery of more services, particularly in support of inclusive sport and to help improve our environmental footprint.

Rigorous cost control and monitoring the financial viability of all services.

Success in securing new and renewing ongoing contracts, including supported accommodation commissioning, with the new Unitary Authorities, the Integrated Care Board and other commissioning bodies in and around East Surrey.

Optimising the potential of "The Old Pheasantry" in Reigate, both as a site for special needs education and as a residential centre for children and young people.

Initiatives focused on improving our environmental impact, leveraging the tremendous value that our volunteers bring and enhancing our approach to inclusivity.

Trustees' responsibilities for the Report and Financial Statements

The Trustees (who are also directors of YMCA East Surrey for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and registered social housing legislation requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Housing Statement of Recommended Practice 2018 (SORP)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, The Housing Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

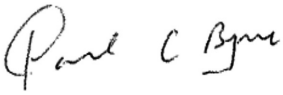
- There is no relevant audit information of which the Charitable Company's auditor is unaware and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on YMCA East Surrey's website.

Auditors

A resolution to reappoint Crowe UK LLP as auditor will be put to the members at the Annual General Meeting.

By order of the Board on



Paul Byrne
Chair
17 September 2026

6.0 Independent Auditor's Report to the Members of YMCA East Surrey

Opinion

We have audited the financial statements of YMCA East Surrey (the charitable company) for the year ended 31 March 2026 which comprise the Statement of comprehensive income, the Statement of changes in reserves, the Statement of financial position, the Statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2026 and of the income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate ac counting records; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page ..., the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Housing SORP, and tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the charitable company's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives that may exist within the charitable company for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of charitable activity and grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the Finance and Resources Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with Social Housing Regulator and the Charity Commission and other regulators, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For

example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill, London, EC4M 7JW

23.09.2026

7.0 Statement of Comprehensive Income for the year ended 31 March 2026

	Notes	2026 £	2025 £
Turnover	1	9,008,216	8,686,509
Operating expenditure	1	(8,872,199)	(8,248,239)
Operating surplus	2	136,017	438,270
Interest receivable	3	67,417	77,864
Interest and financing costs	4	(85,487)	(109,902)
Movement in fair value of financial instruments	10	(60,062)	(26,318)
		57,885	379,914
Gift of charitable assets on charity merger	6	-	1,212,352
Surplus and total comprehensive income for the year		**57,885**	**1,592,266**

All income arises from continuing activities of the Charitable Company. The Charitable Company had no recognised gains or losses other than those dealt with in the Statement of Comprehensive Income.

The accounting policies and notes on pages 28 to 42 form an integral part of these accounts.

8.0 Statement of Changes in Reserves for the year ended 31 March 2026

	Notes	Restricted reserves £	Unrestricted reserves £	Total £
Balance at 1 April 2025	18	**5,564,688**	**3,392,193**	**8,956,881**
(Deficit) Surplus from statement of comprehensive income		(55,943)	113,828	57,885
Balance at 31 March 2026	18	**5,508,745**	**3,506,021**	**9,014,766**

Balance at 1 April 2024	18	4,239,319	3,125,296	7,364,615
Surplus from statement of comprehensive income		1,325,369	266,897	1,592,266
Balance at 31 March 2025	18	**5,564,688**	**3,392,193**	**8,956,881**

The accounting policies and notes on pages 28 to 42 form an integral part of these accounts

9.0 Statement of Financial Position as at 31 March 2026

Company registration number: 03716594

	Notes	2026 £	2025 £
Fixed assets			
Tangible fixed assets – housing properties	8	5,562,578	4,695,435
Tangible fixed assets – other	9	5,665,713	5,368,044
Investments	10	997,896	1,057,958
Total fixed assets		12,226,187	11,121,437
Current assets			
Debtors	11	593,297	713,430
Cash and cash equivalents	12	2,841,290	2,942,483
Total current assets		3,434,587	3,655,913
Current liabilities			
Creditors: amounts falling due within one year	13	(1,419,352)	(1,753,723)
Net current assets		2,015,235	1,902,190
Total assets less current liabilities		14,241,422	13,023,627
Creditors: amounts falling due after more than one year	14	(5,226,656)	(4,066,746)
Total net assets		9,014,766	8,956,881
Reserves			
Restricted reserves	18	5,508,745	5,564,688
Unrestricted reserves	18	3,506,021	3,392,193
Total reserves		**9,014,766**	**8,956,881**

The financial statements on pages 24 to 42 were approved by the Board of Trustees and authorised for issue on 17th September 2026 and are signed on its behalf by:

Mike Gent

Mike Gent
Treasurer

The accounting policies and notes on pages 28 to 42 form an integral part of these accounts.

10.0 Statement of cash flows as at 31 March 2026

	Notes	2026 £	2025 £
Cash flows from operating activities			
Surplus for the financial year		57,885	1,592,266
Movement in fair value of financial instruments		60,062	26,318
Depreciation charge		301,776	289,419
Gift of charitable assets on charity merger		-	(1,212,352)
Interest receivable		(67,417)	(77,864)
Interest paid		85,487	109,902
Decrease in debtors		120,133	257,834
(Decrease)/increase in creditors		(424,070)	57,130
(Decrease) in pension provision		(16,996)	(16,935)
Net cash generated from operating activities		116,860	1,025,718
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,466,588)	(2,004,141)
Government grants received		813,680	21,000
Gift of charitable assets on charity merger		-	1,212,352
Purchase of investments		-	(400,000)
Interest receivable		67,417	77,864
Net cash used by investing activities		(585,491)	(1,092,925)
Cash flows from financing activities			
Interest paid		(85,487)	(109,902)
New secured loans		525,222	-
Repayment of borrowings		(72,297)	(78,976)
Net cash provided/(used) by financing activities		367,438	(188,878)
Net change in cash and cash equivalents		(101,193)	(256,085)
Cash and cash equivalents at beginning of the year	12	2,942,483	3,198,568
Cash and cash equivalents at end of the year	12	**2,841,290**	**2,942,483**

The accounting policies and notes on pages 28 to 42 form an integral part of these accounts.

11.0 Accounting policies for the year ended 31 March 2026

Legal status

YMCA East Surrey is a company limited by guarantee, (No. 03716594) and is an English-registered social housing provider (No. 4854), a registered charity (No. 1075028) and public benefit entity. The liability of its members is limited to £1 each in the event of a deficiency arising on the winding up of the Charity.
It has received dispensation to omit the word "Limited" from its title.

The principal address and registered office is YMCA Sports and Community Centre, Princes Road, Redhill, Surrey, RH1 6JJ.

The Charitable Company's principal activities and the nature of the Charitable Company's operations are included in the Report of the Trustees.

Basis of preparation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice comprising the Statement of Recommended Practice for registered social housing providers, 2018 update, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in 2022), the Housing Regeneration Act 2008, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the requirements of Companies Act 2006. The Charitable Company meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared under the historical cost basis of accounting, with the exception of investments held at market value, and on the going concern basis.

Judgements and key sources of estimation uncertainty are set out within note p) of the Accounting Policies.

Going Concern

In determining the appropriate basis of preparation of the financial statements for the year ended 31 March 2026, the Trustees are required to consider whether YMCA East Surrey can continue in operational existence for the foreseeable future.

The Trustees have reviewed the Charitable Company's financial position and financial forecasts, taking into account the level of investments, cash balances and other free reserves, and the potential risks to its income and expenditure profile.. As a result of this review, the Trustees believe there are no material uncertainties over the Charitable Company's ability to continue as a going concern. Accordingly, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the approval of these financial statements. As a consequence, they continue to prepare the accounts on the going concern basis.

Principal Accounting Policies

A summary of the principal accounting policies is set out below. These policies have been consistently applied to all years presented.

a) Turnover
Turnover, excluding VAT, is recognised in the Statement of Comprehensive Income as follows:

- Income from contracts for services provided is recognised on an accruals basis over the period in which the underlying services are delivered
- Government capital grants are accounted for on an accruals basis. They are credited to deferred income and then recognised in the Statement of Comprehensive Income over the same period in which the corresponding capital expenditure is depreciated
- Government revenue grants are accounted for on an accruals basis. They are credited to the Statement of Comprehensive Income over the same period in which the corresponding expenditure is incurred
- Grants from non-government sources are recognised using the performance model. Grants are recognised as and when the associated performance conditions are met. If there are no associated performance conditions they are recognised on receipt.
- Membership subscriptions and programme activities are recognised in the period to which they relate
- Social housing rental income, net of voids and service charges, are accounted for on an accruals basis

- Donations are accounted for when received
- Legacy income is recognised when the Charitable Company has entitlement to the income, receipt is probable and the income can be reliably measured
- Income from the remaining trading activities is accounted for on an accruals basis
- Investment income is accounted for when receivable

b) Volunteer time

The value of services provided by volunteers is not recognised in these accounts. Please refer to the Report of the Chief Executive for more information about the contribution of volunteers.

c) Expenditure

Expenditure is included in the Statement of Comprehensive Income on an accruals basis, inclusive of any VAT if it cannot be recovered. Liabilities are recognised once there is a legal or constructive obligation committing the Charitable Company to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

In note 1 expenditure, excluding interest and financing costs, has been classified under the relevant heading if it can be directly attributed. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Support and other central costs have been apportioned to each activity on the basis of turnover.

d) Freehold property and depreciation

The Charitable Company separately identifies the major components that comprise its freehold properties, and charges depreciation, so as to write down the cost of each component, on a straight line basis, over its estimated useful economic life.

The Charitable Company depreciates the major components of its freehold properties, including Social Housing properties, at the following annual rates:

Component	Useful economic life
Land	Infinite
Structure	100 years
Roof	70 years
Windows and doors	30 years
Boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Mechanical systems	30 years
Electrics	40 years
Lifts	20 years

The exception to this approach is The Old Pheasantry where the freehold property, excluding land, is depreciated over 50 years on a straight line basis.

Interest is capitalised on borrowings relating to the period of development of social housing properties.

e) Other tangible fixed assets and depreciation

Other tangible fixed assets with a value greater than £1,000 are capitalised at cost, being their purchase cost, together with any incidental expenses at acquisition, in the Statement of Financial Position. Assets below this level are treated as expenditure and are included in the Statement of Comprehensive Income in the year the expenditure is incurred.

Leasehold improvements are depreciated on a reducing balance basis over the term of the lease.

Depreciation is provided on all other tangible fixed assets, so as to write down the cost of the asset, on a straight line basis, over its estimated useful economic life at the following rates:

Asset type	Useful economic life
Sports equipment	4 years
Other equipment	3 to 4 years

f) Pension contributions

YMCA East Surrey participated in a multi-employer defined benefit pension plan ("the Plan") for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the Plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA East Surrey. As such, the Plan has been accounted for as a defined contribution plan. YMCA East Surrey has a contractual obligation to make pension deficit payments as part of the Plan's recovery plan. This liability has been recognised, and any year on year changes are charged/credited to the Statement of Comprehensive Income. The liability is payable over a period of years and is discounted to a net present value using a discount rate based on the yield available on high quality corporate bonds as at the reporting date.

In addition, YMCA East Surrey is also required to contribute to the operating expenses of the Plan. These costs are charged to the Statement of Comprehensive Income as made. YMCA East Surrey also operates two defined contribution pension schemes, The Scottish Widows Scheme for Managers and The People's Pension Scheme which is available to all current staff. YMCA East Surrey also contributes to the Local Government Scheme Pension Scheme for employees who were subject to a TUPE transfer from Surrey County Council. This is a defined benefit scheme. In respect of these three schemes the amount charged to the Statement of Comprehensive Income represents contributions payable in respect of services rendered in the period.

g) Operating leases

Rents payable under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

h) Fund Accounting

Funds held by the Charitable Company are either:

Unrestricted general funds - available for use at the discretion of the trustees in furtherance of the general objectives of the Charitable Company and which have not been designated for specific purposes.

Unrestricted designated funds – available for use at the discretion of trustees that have been set aside by the trustees for specific purposes. The aim and use of designated funds is set out in the notes to the financial statements.

Restricted funds- to be used in accordance with specific restrictions imposed by the donors, or which have been raised by the Charitable Company for specific purposes. The cost of raising and administering such funds are charged against the specific fund.

i) Investments

All investments are carried at their fair value. Investments are all traded in quoted public markets. The basis of the fair value for quoted investments is equivalent to the market value, using their bid price. Asset purchases are recognised at the date of trade at cost (that is their transaction value). Any movements in the fair value of investments is reported in the Statement of Comprehensive Income.

j) Financial Instruments

The Charitable Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Charitable Company becomes a party to the contractual provisions of the instrument, and are offset only when the Charitable Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

k) Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

A provision for impairment of trade debtors is established when there is evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Comprehensive Income.

m) Cash and cash equivalents

Includes cash, bank balances and short-term highly liquid investments.

n) Creditors, provision and borrowings

Creditors and provisions are recognised where the Charitable Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest and financing costs.

Public benefit concessionary loans are recognised at the amount received by the Charitable Company. Deferred income represents Government capital grants at the value received which are then released to the Statement of Comprehensive Income in the same period in which the corresponding capital expenditure is depreciated.

o) Taxation

The Charity is exempt from tax on income and gains falling within Section 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

p) Judgements and key sources of estimation uncertainty

In the application of the Charitable Company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following are deemed to be the key judgements within the financial statements:

- Tangible fixed assets – depreciation is charged on tangible fixed asset components over their estimated useful economic lives, taking into account any residual value if appropriate. The actual lives of the assets and their residual values are assessed annually.
- Pension benefits – the cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.
- Impairment of fixed assets – the carrying amounts of property, plant and equipment are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. The recoverable amount of an asset is estimated as the higher of fair value less cost of disposal and the value in use, with an impairment charge being recognised whenever the carrying amount exceeds the recoverable amount.
- Tangible fixed assets - In determining the appropriate accounting treatment for The Old Pheasantry the Trustees have made the judgement that the property is held primarily to further the Charitable Company's provision of social benefit and to deliver its charitable purposes. Accordingly The Old Pheasantry has been treated as a tangible fixed asset rather than an investment property.

12.0 Notes to the financial statements for the year ended 31 March 2026

1 Turnover, operating expenditure and operating surplus

Year ended 31 March 2026:

	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing			
Rent	335,772	(379,872)	(44,100)
Service charges	718,281	(701,654)	16,627
Supported housing grants	729,882	(544,430)	185,452
Social housing grants	63,571	(28,663)	34,908
Total social housing	1,847,506	(1,654,619)	192,887
Non-social housing	204,738	(218,741)	(14,003)
Total housing	2,052,244	(1,873,360)	178,884
Non-housing			
Childcare and Children's Activities	1,169,683	(1,268,369)	(98,686)
Youth Work and Family Services	1,692,073	(1,832,436)	(140,363)
Disability Services	1,122,156	(1,294,497)	(172,341)
Emotional Wellbeing and Mental Health	1,641,107	(1,603,030)	38,077
Total Children and Young People	5,625,019	(5,998,332)	(373,313)
Health and Wellbeing	912,308	(761,291)	151,017
Other activities	418,645	(239,216)	179,429
Total non-housing	6,955,972	(6,998,839)	(42,867)
Total	**9,008,216**	**(8,872,199)**	**136,017**

1 **Turnover, operating expenditure and operating surplus** (continued)

Year ended 31 March 2025:

	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing			
Rent	349,381	(351,135)	(1,754)
Service charges	689,247	(692,707)	(3,460)
Supported housing grants	693,636	(463,312)	230,324
Social housing grants	195,763	(51,334)	144,429
Total social housing	1,928,027	(1,558,488)	369,539
Non-social housing	255,467	(195,768)	59,699
Total housing	2,183,494	(1,754,256)	429,238
Non-housing			
Childcare and Children's Activities	1,192,026	(1,246,018)	(53,992)
Youth Work and Family Services	1,633,036	(1,651,556)	(18,520)
Disability Services	1,087,852	(1,160,235)	(72,383)
Emotional Wellbeing and Mental Health	1,520,171	(1,475,638)	44,533
Total Children and Young People	5,433,085	(5,533,447)	(100,362)
Health and Wellbeing	829,842	(813,063)	16,779
Other activities	240,088	(147,473)	92,615
Total non-housing	6,503,015	(6,493,983)	9,032
Total	**8,686,509**	**(8,248,239)**	**438,270**

1 Turnover, operating expenditure and operating surplus (continued)

	2026 £	2025 £
Void losses	104,609	50,511
Number of registered accommodation units – supported housing	75	75

2 Operating surplus

	2026 £	2025 £
The operating surplus is arrived at after charging:		
Depreciation of owned assets	271,279	255,436
Depreciation of leasehold assets	30,497	33,983
Auditor's Remuneration – Audit fees:	26,800	25,800
Operating leases	50,951	38,147

3 Interest receivable

	2026 £	2025 £
Bank deposit interest	67,417	77,864

4 Interest and financing costs

	2026 £	2025 £
Loan interest payable	85,487	109,902

5 Staff costs

	2026 £	2025 £
Wages and salaries	5,087,298	4,677,138
Social security costs	541,469	356,454
Pension costs	198,081	209,258
	5,826,848	**5,242,850**

During the year, the charity spent £17,006 on termination payments (2025: £14,700).

The trustees received no remuneration or reimbursement of expenses during the year (2025: Nil).

The full-time equivalent average headcount during the year by division was as follows:

	2026 No.	2025 No.
Health and Wellbeing	10	11
Children and Young People	83	83
Housing	23	23
Central Services	25	23
Total	**141**	**140**
The total average headcount during the year was as follows:		
Total	**276**	**260**

5 Staff costs (continued)

The number of higher-paid employees who received emoluments in the following bands was:

	2026	2025
£60,000-£70,000	2	2
£70,000-£80,000	-	-
£80,000-£90,000	-	-
£90,000-£100,000	-	1
£101,000-£110,000	1	-

Key management personnel in charge of directing and controlling, running and operating the Charitable Company are deemed to be the Board of Trustees and the Senior Management Team. The Senior Management Team comprises the Chief Executive and the 4 (2025: 4) Heads of Service. The total employee benefits of the key management personnel of the Charitable Company were:

	2026 £	2025 £
Salaries and pension costs	385,863	369,823
Social security costs	47,268	38,969
	433,131	**408,792**

The salary received by the highest-paid executive staff member (the Chief Executive) was:

	2026 £	2025 £
Salary	101,378	98,434

Contributions to the Scottish Widows defined contribution pension scheme on behalf of the Chief Executive were £7,097 (2025: £6,890).

6 Gift of Charitable assets on charity merger

In June 2024, the Land and City Families Trust ("LCFT") transferred all off its assets to the YMCA East Surrey and was subsequently deregistered as a charity. The two charities shared aligned charitable purposes. The assets and liabilities of the LCFT principally comprised the Old Pheasantry outdoor residential centre on Colley Hill in Reigate, together with some cash. The two charities had been working together in partnership for the prior fifteen months to secure the future of the property. The net assets transferred were comprised as follows:

Fixed asset	£1,150,000
Cash	£62,352
Total	**£1,212,352**

The fixed asset is The Old Pheasantry outdoor residential centre. The valuation of £1,150,000 was based on a valuation performed by an independent qualified Chartered Surveyor.

7 Taxation

The Charitable Company is a registered charity and, as such, its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

8 Tangible fixed assets – Housing properties

	Social housing properties held for letting £	Total £
Cost:		
At 1 April 2025	4,994,317	4,994,317
Additions	935,344	935,344
Disposals	-	-
At 31 March 2026	5,929,661	5,929,661
Depreciation:		
At 1 April 2025	298,882	298.882
Charge	68,201	68,201
Disposals	-	-
At 31 March 2026	367,083	367,083
Net book value:		
At 31 March 2026	5,562,578	5,562,578
At 31 March 2025	4,695,435	4,695,435

All social housing properties are freehold.

9 Tangible fixed assets – other

	Freehold land and buildings £	Leasehold land and buildings £	The Old Pheasantry £	Sports Equipment £	Other Equipment £	Total £
Cost:						
At 1 April 2025	4,219,238	904,777	1,150,000	492,219	1,055,569	7,821,803
Additions	383,741	-	-	8,810	138,693	531,244
Disposals	-	-	-	-	-	-
At 31 March 2026	4,602,979	904,777	1,150,000	501,029	1,194,262	8,353,047
Depreciation:						
At 1 April 2025	549,154	607,424	15,333	423,580	858,268	2,453,759
Charge	66,854	30,497	18,400	26,245	91,579	233,575
Disposals	-	-	-	-	-	-
At 31 March 2026	616,008	637,921	33,733	449,825	949,847	2,687,334
Net book value:						
At 31 March 2026	3,986,971	266,856	1,116,267	51,204	244,415	5,665,713
At 31 March 2025	3,670,084	297,353	1,134,667	68,639	197,301	5,368,044

10 Investments

Movement in fixed asset listed investments

	2026 £	2025 £
Market value at 1 April 2025	1,057,958	684,276
Additions to investments at cost	-	400,000
Disposal of investments at cost	-	-
Decrease in fair value of investments	(60,062)	(26,318)
Market value at 31 March 2026	**997,896**	**1,057,958**

11 Debtors

	2026 £	2025 £
Rent debtors	81,752	105,600
Less: provision for doubtful debts	(10,000)	(14,000)
	71,752	91,600
Prepayments	109,587	97,256
Project funding debtors	118,655	226,670
Other debtors	293,303	297,904
	593,297	**713,430**

12 Cash and cash equivalents

	2026 £	2025 £
Short-term liquid investments	1,446,635	1,581,624
Bank balances	1,374,468	1,322,164
Cash	20,187	38,695
	2,841,290	**2,942,483**

13 Creditors: amounts falling due within one year

	2026 £	2025 £
Bank loans (Note 15)	84,727	88,895
Trade creditors	244,468	234,473
Accruals	154,305	173,676
Income received in advance	656,871	951,579
Taxation and social security	106,482	77,912
Other creditors	86,480	170,672
Deferred capital grants (Note 16)	67,785	39,000
Accrued pension deficit (Note 17)	18,234	17,516
	1,419,352	**1,753,723**

14 Creditors: amounts falling due after more than one year

	2026 £	2025 £
Bank and other loans (Note 15)	1,975,967	1,518,874
Deferred capital grants (Note 16)	3,248,809	2,528,278
Accrued pension deficit (Note 17)	1,880	19,594
	5,226,656	**4,066,746**

15 Bank and other loans

Secured:	2026 £	2025 £
In one year or less	84,727	88,895
In more than one year, but not more than two years	89,552	95,335
In more than two years, but not more than five years	203,282	307,176
In more than five years	1,683,133	1,116,363
	2,060,694	**1,607,769**

15 Bank and other loans (continued)

During the year in February 2026, a loan was taken out from Barclays to finance the new housing development at Horley Road, Salfords. The opportunity was taken to consolidate the four existing loans with Barclays into one new facility of £1,913,083, paying interest at 1.8% over the bank's base rate. This new loan has a 15-year repayment profile and has the same security as the four existing loans.

The four existing loans with Barclays replaced by this new facility were as follows:

£152,250 was borrowed in 2014 at a fixed rate of 5.73% until 30 June 2021, and thereafter at a variable rate of 3.25% over the bank's base rate, over a 15-year term. This loan was secured by a legal charge over a property on Lynwood Road, Redhill**.**

£989,340 was borrowed in 2017 at a rate of 1.6% over the bank's base rate with a 25-year repayment profile. In November 2022, £812,000 was refinanced at a rate of 2.10% over the bank's base rate. The loan had a 15-year repayment profile and was secured by a legal charge over the property on Brighton Road, Redhill and a floating charge over the Charitable Company's assets.

£400,000 was borrowed in 2021 at a rate of 2.5% over the bank's base rate. The loan had a 15-year repayment profile and was secured by a legal charge over the property on Massetts Road, Horley.

£350,000 was borrowed in August 2023 at a rate of 2.25% over the bank's base rate. This loan had a 15-year repayment profile and was secured by a legal charge over the property on Shrewsbury Road, Redhill.

In addition, £150,000 was borrowed from the Methodist Church in March 2019. This is a public benefit concessionary loan and is interest-free and repayable at the end of the 15-year term. The loan is secured by a legal charge over the property on London Road, Merstham.

16 Deferred Capital Grants

	Grants at cost £	Amortisation £	Total net grants £
As at 1 April 2025	**2,697,074**	**(129,796)**	**2,567,278**
Grants received in year	813,680	-	813,680
Amortisation	-	(64,364)	(64,364)
As At 31 March 2026	**3,510,754**	**(194,160)**	**3,316,594**

17 Accrued Pension deficit

YMCA East Surrey participated in a multi-employer contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The Pension Plan was closed to new members and future service accrual with effect from 30 April 2007. With the removal of the salary linkage for benefits, all employees and deferred members became deferred members as of 1 May 2011.

Due to insufficient information, the Plan's actuary has advised that it is not possible to identify separately the assets and liabilities relating to YMCA East Surrey. As such the Plan has been accounted for as a defined contribution plan. The assets of the YMCA Pension Plan are held separately from those of YMCA East Surrey.

The most recent completed triennial valuation was as at 1 May 2023. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets of 4.56%, the increase in pensions in payment of 3.18% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 21.5 years, female 24.4 years, and 23.1 years for a male pensioner, female 25.7 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £103.2m and the actuarial value of the liabilities £112.4m, resulting in a plan deficit of £9.2m. This was a reduction compared to the previous valuation as at 1 May 2020, which showed a deficit of £38.7m.

The improved funding levels have resulted in a reduction to the deficit reduction contributions required from the individual YMCAs. YMCA East Surrey has been advised that it will need to make annual contributions of £19,186 from 1 May 2024 through until 30 April 2027. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of the actual performance of the Pension Plan. The current recovery period is three years. The previous recovery

17 Accrued Pension deficit (continued)

plan based on the actuarial valuation as at 1 May 2020 required annual payments of £23,898 from 1 May 2023, escalating at 3% a year, for six years until 30 April 2029. YMCA East Surrey will also have to contribute £6,003 in respect of the Plan's expenses in 2026/7. In the financial year ended 31 March 2026 the contribution to expenses was £6,087 (2025: £6,115).

Accrued pension deficit	**2026 £**	**2025 £**
As at 1 April 2025 (2024)	37,110	53,666
Charged to Statement of Comprehensive Income	2,190	2,630
Payments made	(19,186)	(19,186)
As at 31 March 2026 (2025)	**20,114**	**37,110**

These amounts are payable by year as below:

	2026 £	**2025 £**
Within one year	19,186	19,186
One to two years	1,978	19,186
Two to five years	-	1,978
Discount benefit	(1,050)	(3,240)
Total	**20,114**	**37,110**

The liability is discounted using the yield available on high-quality UK corporate bonds as at the reporting date. The discount rate used is 5.90% (2025: 5.60%).

In addition, YMCA East Surrey may over time have liabilities in the event of the non-payment by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible currently to quantify the potential amount that YMCA East Surrey may be called upon to pay in the future.

YMCA East Surrey also operates two defined contribution pension schemes for the benefit of its current employees and contributes to the Local Government Pension Scheme for employees who were subject to a TUPE transfer from Surrey County Council. The assets of these schemes are also held separately from the assets of YMCA East Surrey and contributions are charged to the Statement of Comprehensive Income as they fall due.

18 Analysis of reserves

	At 1 April 2025 £	Income £	Expenditure £	Transfers £	At 31 March 2026 £
Princes Road capital	2,650,713	87,278	(57,584)	-	2,680,407
Sovereign Centre capital	297,351	-	(30,498)	-	266,853
Sovereign Centre	123,295	9,492	(9,492)	-	123,295
Move-on properties capital	844,442	23,679	(38,170)	-	829,951
Hillbrook capital	63,807	-	(1,964)	-	61,843
Housing Services	248,566	239,894	(247,178)	-	241,282
Children and Young People	64,379	713,100	(713,100)	-	64,379
Health and Wellbeing	72,688	131,747	(144,747)	-	59,688
The Old Pheasantry	1,199,447	40,485	(58,885)	-	1,181,047
Total restricted reserves	5,564,688	1,245,675	(1,301,618)	-	5,508,745
Unrestricted reserves:					
General	2,819,881	7,509,666	(7,573,918)	152,000	2,907,629
Designated	572,312	260,230	(82,150)	(152,000)	598,392
Total reserves	**8,956,881**	**9,015,571**	**(8,957,686)**	-	**9,014,766**

Designated reserves at the end of the year comprise funds set aside by the Trustees for the development of the new move-on property at Horley Road and for further enhancement of the facilities at Princes Road. It also includes money raised by the Life Change Fund, through donations and the various challenge events held.

The transfer to unrestricted reserves reflects the utilisation of reserves previously designated.

	At 1 April 2024 £	Income £	Expenditure £	Transfers £	At 31 March 2025 £
Princes Road capital	2,696,838	1,883	(48,008)	-	2,650,713
Sovereign capital	331,334	-	(33,983)	-	297,351
Sovereign centre	123,295	-	-	-	123,295
Move-on properties capital	686,532	195,763	(37,853)	-	844,442
Hillbrook capital	65,771	-	(1,964)	-	63,807
Housing services	241,560	258,242	(251,236)	-	248,566
Children & Young People	53,473	783,459	(772,553)	-	64,379
Health & Wellbeing	40,516	175,034	(142,862)	-	72,688
The Old Pheasantry	-	1,259,655	(60,208)	-	1,199,447

Total restricted reserves	**4,239,319**	**2,674,036**	**(1,348,667)**	**-**	**5,564,688**
Unrestricted reserves:					
General	2,258,084	7,148,233	(7,026,546)	440,110	2,819,881
Designated	867,212	154,456	(9,246)	(440,110)	572,312
Total reserves	**7,364,615**	**9,976,725**	**(8,384,459)**	**-**	**8,956,881**

Princes Road capital
The Princes Road capital reserve is held to provide premises for YMCA East Surrey. It is invested in the freehold land and buildings at Princes Road occupied by YMCA East Surrey. The income recognised during the year reflects grants received in relation to the development work carried out on the premises during the year.

Sovereign Centre capital
The Sovereign Centre capital reserve holds the cost of the leasehold improvements at the Sovereign Centre to the extent funded by non-government grants.

Sovereign Centre
The Sovereign Centre reserve represents funds held to maintain and enhance the facilities at the Sovereign Centre and to support the YMCA's work with children and young people.

Move-on properties capital
Move-on properties hold the capital for the move-on properties to the extent funded by non-government grants, with the income being the amortisation of government grants and expense being the depreciation of the properties to the extent grant funded.

Housing services
Donations and grants received for the specific purpose of funding Housing initiatives, including funding for our NextStep programme, which assists families and individuals to secure private rented accommodation, and funding received for the deposits required to secure such accommodation.

Children & Young People
Donations and grants received for the specific purpose of funding Children and Young People initiatives, including youth work, emotional wellbeing support and inclusive services.

Health and Wellbeing
Donations and grants received for the specific purpose of funding Health and Wellbeing initiatives and related equipment.

The Old Pheasantry
This fund comprises the assets transferred to YMCA East Surrey by the Land and City Families Trust ("LCFT"), net of the annual depreciation charge relating to the principal asset, The Old Pheasantry. The use of the assets is restricted to the charitable purposes of the LCFT, which were to develop The Old Pheasantry into a centre for holidays and education for disadvantaged children.

19 Related party transactions

The Trustees all give their time and expertise freely without any form of remuneration or other benefit in kind (2025: £nil). Further, the Trustees have received no reimbursement of expenses during the year (2025: £nil).

During the course of the year, YMCA East Surrey received an unrestricted donation of £30,000 from an estate for which a Trustee was Administrator.

During the year the charity received donations from the trustees totalling £4,500 (2025 : £1,000)

There was nil outstanding with related parties as at 31 March 2026 (2025: £nil).

20 Operating lease commitments

At 31 March 2026, the Charitable Company had total commitments under non-cancellable operating leases for land and buildings as follows:

	2026 £	2025 £
Within one year	50,951	38,147
Within two to five years	103,563	116,406
After five years	-	5,095
	154,514	**159,648**

21 Capital commitments

At the end of the year, the Charitable Company had £1,249,949 (2025: £360,460) of capital commitments in relation to the development of a move-on property at Horley Road, Salfords.

22 Contingent liabilities

The charitable company has contingent liabilities relating to social housing grants received totalling £2,493,533 (2025 : £1,758,533). These grants would need to be recognised as a liability and repaid if the properties so funded were sold or ceased to be used for social housing purposes.

23 Net cash

	Current debt £	Non-current debt £	Cash and cash equivalents £	Net cash £
At 1 April 2025	**(88,895)**	**(1,518,874)**	**2,942,483**	**1,334,714**
Movements in the year	4,168	(457,093)	(101,193)	(554,118)
At 31 March 2026	(84,727)	(1,975,967)	**2,841,290**	**780,596**

	£	£	£	£
At 1 April 2024	(78,484)	(1,608,261)	3,198,568	1,511,823
Movements in the year	(10,411)	89,387	(256,085)	(177,109)
At 31 March 2025	**(88,895)**	**(1,518,874)**	**2,942,483**	**1,334,714**